A water tower overlooking a cemetery. At first glance, this is not the stuff dreams are made of...except in Hollywood.

Cecil B. DeMille is buried here, next to the Paramount lot he once ruled... a movie mogul of the highest rank.

Legends are buried here: D.W. Griffith, whose "Birth of a Nation" made him a director who also made history.

And actors, like Douglas Fairbanks... whose film heroics won the hearts of thousands and made him a movie star.

Moguls, legends, stars...the images never die. It's what Americans, and the world, expect of Hollywood...what every year, millions of tourists come to see.

SOF: ASHLEY/FANTASY TOUR

Movie palaces, images, dreams...that's the stuff Hollywood's made of. No wonder this is called the Fantasy Tour.

SOF: "HOORAY FOR HOLLYWOOD"

The name itself has taken on mythical importance. Yet, to make it in Hollywood, to make it in the movies, persists as part of the American dream -- and that's real.

Behind the facade of Hollywood are some hard realities of the movie business that aren't found on the Fantasy Tour.

The bus doesn't stop here, International Creative Management...the world's biggest talent agency. But to understand how movies get made, it's a good place to start.

SOF: ZIMMER

Jeremy Zimmer's an agent, wrestling with an agent's problem. Before a movie gets made, a lot of things have to be settled.

SOF: ZIMMER

Zimmer is 27-years-old. In a glamour industry, being young doesn't hurt. Neither does the right ancestry. His grandfather was Dory Schary, once head of production at M-G-M.

Much has been said about agents. But lately, it's been about their growing power... in a Hollywood where even they might become studio executives...moguls-in-training.

SOF: "BILL BLOCK"S OFFICE"

Bill Block is 31. At I-C-M, these young agents are called Wolverines...for their persistence and tenacity.

There are no qualifications for this job, and no rules for success. Block studied history at Columbia University.

SOF: BLOCK
SOF: ZIMMER

This is "material", a screenplay. These are hundreds of them: 25-thousand treatments and scripts a year are registered with the Writers Guild alone.

With all that material, and so relatively few movies being made...why then, do so many movies fail?

SOF: ZIMMER
SOF: "H FOR H"/STUDIOS

Once, the studio's judgement was the only one that counted. The old system of studio control over the movies and who makes them is dead. But the studio's power to get a movie made, released, marketed and distributed is very much alive -- so is the pressure on studio executives.

SOF: RUDIN

At 27, Scott Rudin already is executive vice-president of production at 20th Century Fox...in an era in which a movie can make 20-million dollars and still lose money.

SOF: RUDIN
SOF: ICM

To get a movie made, somewhere down the line you have to talk to the agent... because to make a movie, you have to make a deal. And to make a deal, you need an agent...and a package: the right story, the right director, the right stars.

SOF: ZIMMER

And sometimes, stars have to be soothed.

SOF: ZIMMER

The agent is a power-broker, doing by negotiation what moguls once did by edict...whether it's a soft-sell, or hard.

SOF: ZIMMER

Often, the agent must structure the deal, try to spread the risk: the average cost of a major film is 14-million dollars.

SOF: BLOCK

Always, the agent must have the ability to manuver...in case a better deal comes along.

SOF: ZIMMER

And no matter what else he's doing, every chance he gets, the agent must close the deal.

SOF: BLOCK
SOF: ZIMMER/BLOCK
SOF: CAROLE/BLOCK

You may have thought the most important technology in Hollywood was the camera and microphone...maybe not.

SOF: BLOCK
SOF: ZIMMER

If the telephone's a bayonet, the agent's office is a command post...where strategy and tactics depend on information, and the power of persuasion.

SOF: ZIMMER
SOF: BLOCK

The agent knows that not every deal is a winner...but he knows what winning is.

SOF: BLOCK
SOF: "H FOR H"/BILLBOARDS, THEATERS

They're not making movies the way they used to: the economics, the technology, some say even the audience has changed.

What hasn't changed, at a time when most big budget films lose money, is Hollywood's insatiable desperate need for ideas and for people who can turn them into big winners at the box office.

One place to look for people, and ideas, is here: U-S-C, at the country's oldest film school. After all, George Lucas went here and he made Star Wars... a fact not lost on this generation of filmmakers.

SOF: MILLER

John Miller is a 29-year-old director whose student film was good enough to get him an agent. But to get anywhere in Hollywood, he knows even that may not be enough.

SOF: MILLER

In Hollywood, the meeting has taken on legendary proportions. Whether a cocktail party or a power lunch, it helps to have the right table, in the right restaurant, at the right time.

What gets a movie made is convincing someone in a position to do something about it...someone like Scott Rudin.

SOF: RUDIN

Exactly how it works -- by advocacy, or hyperbole -- very much depends on which side of the desk you're on: Rudin's, or John Miller's.

SOF: MILLER/RUDIN
SOF: "H FOR H"/SPIELBERG PHONE

The tour bus doesn't stop here, either. And it's a hard place to reach by phone...the number's unlisted. But if there's someone in Hollywood worth knowing, it's the casting director.

Mike Fenton is one of the biggest in town. This is how he does it.

SOF: FENTON

Fenton's been casting pictures 23 years. His long list of credits include Academy Award winners: One Flew Over the Cuckoo's Nest and Godfather Two...and box office winners: Back to the Future and Raiders of the Lost Ark.

SOF: FENTON
SOF: ACTING CLASS

It's the oldest story in Hollywood, and the biggest dream. The myth is that you can be discovered in a drug store, or parking cars. The reality is another Hollywood legend: the struggling actor, in an acting class.

SOF: ACTING CLASS

Scenes like this are being played all over Hollywood, every night...and on any night, an actor might learn that even the smallest discovery can make a difference.

SOF: ACTING CLASS
SOF: KILLBOTS

The job could be the set of a low-budget action feature, a traditional starting place for anyone trying to break into the movies.

SOF: ACTRESS RUNS TO WINDOW

Twenty years ago, they might have started on a Roger Corman film -- as did Francis Coppola, Martin Scorcese and Jack Nicholson...in movies like Bloody Mama or Little Shop of Horrors.

Today, it might be Killbots...for Corman's wife, Julie.

SOF: JULIE CORMAN ON SET

Most won't even get this far...shooting all night in a San Fernando Valley shopping mall, being schooled in how to break a glass window.

For some anyway, it's the price of admission -- the willingness to take any part, however small...to do anything, to get into ~~be in~~ the movies.

SOF: ACTRESS BREAKS GLASS
SOF: FENTON

For L'Wren Scott, 20-years-old and newly arrived from Utah, it's a meeting every young actor would like to have.

Fenton might be casting as many as eight or nine movies at once, dozens of parts...for directors like Coppola, Lucas and Spielberg. L'Wren Scott needs Fenton and hopes that one day, Fenton might need her.

SOF: FENTON & SCOTT/FENTON
SOF: "HOORAY FOR HOLLYWOOD"/
ASHLEY TO STAR INSTALLATION

No one knows for sure what makes an actor a star...but you know it when you see one.

Millions come to Hollywood hoping to see a movie star...others come hoping to become one.

SOF: ACTING CLASS

They're still coming, no matter what the odds.

SOF: TEACHERS
SOF: VIET NAM MONOLOGUE

This monologue is from Arthur Miller's A View From The Bridge. The actor has done it three times tonight. By the fourth time, something begins to happen.

SOF: MONOLOGUE/ACTING CLASS
SOF: FENTON
SOF: "H FOR H"/STAR POLISHERS

Maybe one reason it's hard to separate fantasy from reality in Hollywood is because we don't want to.

In producing fantasy Hollywood fills a need. But one thing Hollywood needs is a public to keep the dream alive... fans like these: star Polishers, on Hollywood Boulevard.

In producing fantasy, Hollywood fills a need. But one thing Hollywood needs is a public to cherish the dream, and preserve it -- fans, like these: Star Polishers, on Hollywood Boulevard.

SOF: MANILOW GIRLS/INTERVIEWS

As long as there's a Hollywood, there will be days like this for people like Jeremy Zimmer. For him, this is just another day at the office, in the movie business.

SOF: ZIMMER

While an I-C-M executive talks to the client, a director...Zimmer's talking to his boss, a senior agent.

The problem here isn't the cast, or script, or the set...artistic differences. The problem is the deal.

The director got more money: the issue is how he'll be paid 275-thousand dollars... up front or, as the production company insists, a hundred-thousand now and 175-thousand later.

The director wants it all now, and he's refusing to do the film.

SOF: ZIMMER

It's probably fair to say that Hollywood leaves a lot of room for misunderstanding.

Agents make deals that can fall apart at the ring of a car phone. Studios invest millions on the look in a director's eye. A director often doesn't know where his next film is coming from, an actor his next meal.

Their business may be to create fantasy but they all must live in the real world. And in Hollywood, as elsewhere, there's no sure formula for success...or for survival.

SOF: ZIMMER
SOF: "HOORAY FOR HOLLYWOOD"

For them, even in a world of fantasy, there's no escaping reality. In Hollywood, as elsewhere, there's no sure formula for success...or for survival.

SOF: ZIMMER
SOF: "HOORAY FOR HOLLYWOOD"